





# Economic and Neighborhood Development CSA

## Core Service: Convention and Cultural Facilities

### Convention Facilities Department

## Performance and Resource Overview (Cont'd.)

TSJ's clients – show, conference and event organizers – when surveyed, 89% have rated the facilities and services provided at the convention center complex as good to excellent. The high client satisfaction indicates a corresponding degree of return business, establishing a strong baseline for a continued increase in sales and a higher overall occupancy of the city's Convention and Cultural Facilities.

Convention and Cultural Facilities Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 Gross Revenue	\$7.02M	\$8.52M	\$8.27 M	\$9.32 M
 Net Profit (Loss)	(\$4.60M)	(\$4.36 M)	(\$4.11 M)	(\$4.19 M)
 Economic Impact				
Attendee Days By Type of Visitor:				
- Local/Social	996,005	515,100	1,099,296*	600,400
- Out of Town	93,635	87,300	67,209*	92,700
- Exhibitors	31,591	18,500	19,539*	19,700
 % of customers rating overall service good to excellent based on satisfaction with facilities and services provided	81%	83%	89%*	85%

*Changes to Performance Measures from 2005-2006 Adopted Budget: No*

\* Numbers have not been audited or confirmed. Numbers may change because additional data will be filled in by year-end.

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast*
Number of events at Convention Facilities	470	500	500	500*
Attendance at Convention Facilities	1,089,640	602,400	1,186,044**	693,100*
Number of Convention Delegates	31,591	18,500	19,539**	19,700*
Delegate Expenditures	104,564,000	99,255,152	TBD	64,106,152*
Total Tax Benefit (\$)	(Measure to be developed)			
Operating Revenues (\$)	7,310,842	8,520,000	8,274,790	9,315,000
Operating Expenses (\$)	11,609,128	12,611,536	13,142,247	13,725,782
Overall Occupancy Rate (%)	58%	66%	54%**	TBD*

\* 2006-2007 budget is currently being reviewed and revised to accurately reflect current business and market trends.

\*\* Numbers have not been audited or confirmed. Numbers may change because additional data will be filled in by year-end.

# Economic and Neighborhood Development CSA

## Core Service: Convention and Cultural Facilities *Convention Facilities Department*

### Performance and Resource Overview (Cont'd.)

Convention and Cultural Facilities Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 6,392,121	\$ 6,514,289	\$ 6,979,838	\$ 6,979,838	7.1%
Non-Personal/Equipment	4,885,211	5,117,047	5,760,945	5,760,945	12.6%
<b>Total</b>	<b>\$ 11,277,332</b>	<b>\$ 11,631,336</b>	<b>\$ 12,740,783</b>	<b>\$ 12,740,783</b>	<b>9.5%</b>
<b>Authorized Positions</b>	<b>84.75</b>	<b>84.75</b>	<b>84.75</b>	<b>84.75</b>	<b>0.0%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)
NONE		

## Community and Economic Development CSA

### Core Service: Development Plan Review & Building Construction Inspection

*Planning, Building and Code Enforcement Department*

#### Core Service Purpose

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**M**anage and review development and construction applications to allow issuance of permits in compliance with applicable codes and policies.

#### Key Operational Services:

- |  |   |
|--|---|
| <input type="checkbox"/> <b>Review of Land Use, Rezoning, Development Applications &amp; Plans for Compliance with Zoning Code, Standards, Policies and Guidelines</b> | <input type="checkbox"/> <b>Environmental Review</b>        |
| <input type="checkbox"/> <b>Review of Construction Plans and Calculations for Compliance with Building Code Standards, Policies and Guidelines</b>                     | <input type="checkbox"/> <b>Construction Inspection</b>     |
|  | <input type="checkbox"/> <b>Permit Issuance</b>             |
|  | <input type="checkbox"/> <b>Public Information Services</b> |

#### Performance and Resource Overview

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**T**he desired outcomes for this core service are to facilitate issuance of permits and compliance with codes, policies, guidelines and standards and, through these efforts, to ensure safe, healthy and attractive development. The continued challenge for this core service is to provide planning and building services that allow development to be planned, approved and inspected at a pace consistent with the economic realities of the competitive development environment.

#### Development Activity

Development activity, including planning permit applications, building permits, plan reviews, and inspection activity, has remained relatively constant since the tremendous development boom ended in 2000-2001. There has, however, been a significant shift away from commercial and industrial construction activity (where valuations are higher relative to corresponding service demand) toward residential construction activity. While the service demand has increased slightly over the past couple of years, 2004-2005 saw the first overall construction valuation increase since the end of the development boom.

#### Cost Recovery and Staffing

Despite increasing costs, the 2005-2006 Building and Planning Fee Program budgets were built without fee increases. Projections indicated that the Building Fee Program would have sufficient revenue to absorb the higher costs. In the case of Planning, the 2005-2006 budget was balanced with resource reductions and the use of \$265,000 in funds from the Planning Fee Reserve.

# **Community and Economic Development CSA**

## **Core Service: Development Plan Review & Building Construction Inspection** *Planning, Building and Code Enforcement Department*

### **Performance and Resource Overview (Cont'd.)**

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#### **Cost Recovery and Staffing (Cont'd.)**

It should be noted that the overhead rates for the Planning and Building Fee Programs have been relatively low in recent years, in part because the Programs did not pay for space in a fully paid for City Hall facility. The costs required to occupy space in the new City Hall (being phased in over a five-year period); in addition to the costs of negotiated pay increases for staff, a 28% increase in retirement costs, and a 16% increase in health care costs resulted in upward fee adjustments beginning in 2006-2007 in order to retain the Council directed full cost recovery status of these programs. City staff continues to meet with development industry groups to try to get consensus agreement on a multi-year fee and service level package that the industry would support. For 2006-2007, a 7% fee increase for both programs was approved in this budget.

For the Planning Fee Program, the 2006-2007 Adopted Operating Budget includes \$33,420 in one-time funding for computer hardware replacements, a share of the Planning, Building and Code Enforcement Director recruitment cost, and updated data for the Planning mailing database. The Program will also support 16% of a webmaster for the City's development service websites. The approved change package also includes the use of \$301,495 from the Planning Fee reserve to balance the fee program budget. Funding from the Storm Sewer Fund for a Planner for development project review continues in 2006-2007. This position supports review of development applications for compliance with new urban runoff control requirements. The review costs will be supported by the Storm Sewer Fund until the costs can be included in permit fees in future years.

The Building Fee Program's approved package for 2006-2007 included an Engineer and two Planners to improve customer service at the public information counters and response time to verification letter requests, and provides 52% support for the development services webmaster. The establishment of the Industrial Tool Installation Program resulted in the need to add a Supervising Building Inspector and Building Inspection Manager. This program will facilitate improved customer service for existing high tech manufacturing and R&D facilities. One-time funding for vehicle and computer replacements, new code books, cameras for inspectors, the Director recruitment, and Customer Service Center improvements was approved. The approved package also includes the use of \$1,853,775 from the Building Fee Reserve.

While Council policy and the funding realities facing local government do ultimately require the City to pass on service cost increases to development customers through higher fees, San José's development service providers recognize their obligation to limit costs, seek operational efficiencies, and continuously improve the service provided so that applicants receive good value for their money.

#### **Fee Methodology Adjustments**

In 2003-2004, a new methodology was introduced for residential building fees that was designed to fix the structural imbalance that existed and allow Building to meet established customer service

# Community and Economic Development CSA

## Core Service: Development Plan Review & Building Construction Inspection *Planning, Building and Code Enforcement Department*

### Performance and Resource Overview (Cont'd.)

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#### Fee Methodology Adjustments (Cont'd.)

targets more consistently than in previous years. The changes were the first phase of the implementation of a fee structure based on the time it takes to deliver service. The new methodology has two components: 1) an initial fee assessment based on the average service time invested in the particular product type; and 2) the establishment of a new time tracking methodology limiting service to the amount paid for by the initial fee until additional time is purchased.

The new time tracking methodology has been implemented across all sectors in Building, but the implementation of the new initial fee assessment methodology has been delayed for two years due to the lack of activity in the commercial and industrial sectors and the resulting limited number of projects to base the time assessments on. The analysis of commercial and industrial projects has finally been completed, and the implementation of the new fee methodology was included in the 2006-2007 Fees and Charges. These changes will establish a consistent time-based methodology for all Building and Fire fees. A key benefit of this change will be an improvement in accuracy and fee certainty as the analysis indicated there was very little relationship between valuation – the former basis for fee calculations – and the cost of providing service. The implementation of this new methodology is anticipated to result in an 8% reduction in Building revenue due to the recalculation of the initial fees in the commercial and industrial sectors should more than offset the approved 7% increase in the hourly rate.

The new methodology changes have already generated very positive results. Requests for inspection stops have declined, inspection time per stop has declined, and the percent of inspections requested where the site is ready for inspection has greatly increased. As a result, inspector productivity and efficiency have increased. For the customer, this means City staff is more likely to be able to respond to their request in a timely manner. Building has also experienced an increase in the quality of plans submitted which has resulted in reduced review cycles and less time required per review cycle. Once Building has fully implemented all phases of the new fee methodology across all product types, the fees assessed to deliver service will be more directly tied to the cost of delivering service. This change will provide continued fiscal stability for the future regardless of activity shifts across construction sectors. Staff believes automated service provision options, better educational handouts (to help customer prepare plans for review and work for inspection), and process improvements can help to contain and even reduce costs in some areas.

#### Performance, Efficiency and Service Improvements

In the first quarter of 2005-2006, most of the development cycle time and quality performance measures declined from 2004-2005 levels. This period coincided with the packing and moving of all of the development service operation into the new City Hall. While the transition to the new City Hall was accomplished without closing the customer service counters, considerable staff time was devoted to purging, packing, moving, planning, systems testing and service reorganization. While cycle time and quality performance for Planning and Building rebounded somewhat in the 2<sup>nd</sup>

# Community and Economic Development CSA

## Core Service: Development Plan Review & Building Construction Inspection *Planning, Building and Code Enforcement Department*

### **Performance and Resource Overview (Cont'd.)**

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#### **Performance, Efficiency and Service Improvements (Cont'd.)**

quarter, the 16% increase in service hours in the new building has also had a corresponding impact on permit processing times. For instance, to the extent Planning staff spends more time providing public information services at the customer service counter, there are less hours available for development review. The two additional Planner positions approved in this budget are intended to address this issue.

Staff is also working on a number of initiatives as a direct result of Counter to Council and Getting Families Back to Work. An update on this activity and work effort was given to the Driving a Strong Economy Committee in March. In addition, staff is working with the City Manager's Office to develop a matrix of all development process improvement efforts that are underway or planned. The list of all potential process improvements exceeds the capacity of staff to deliver in a timely manner. Because of this, there will need to be additional prioritization of tasks or additional resources applied in order to accomplish all of the process improvements targeted for our various customer groups. Manager's Budget Addendum #23 outlined efforts to focus services to customer needs in the Building Division in response to a Mayor's March Budget Message referral and feedback from development industry meetings that "one size does not fit all" for development process customers.

An important factor in the ability of the development service partners to consistently meet performance targets is the capacity to meet peak activity periods or rapidly increasing demands for service with back-up resources that are in place and ready to go. Contractual Plan Check services provide a crucial "safety valve" to manage the workload of these peak periods. Overtime and retiree help are also used to address peak demand periods and ensure 100% response to inspection requests within 48 hours, but have limited utility for plan check services as Engineers are not eligible for overtime pay and the pool of available retirees is very limited. The Building Division does not have any active consultant plan check contracts at this time. A top priority of Building Division management is the procurement of contractual services to ensure that a workload safety valve is in place for the upcoming summer peak workload period.

The development partners continue to invest in technology solutions to improve service delivery. Two pilot programs to upgrade the Building Fee Program's efficiency and improve service delivery were funded and began in 2005-2006. The first is exploring the use of mobile tablet/hand-held devices to provide field staff the ability to access and input information directly into the City's Integrated Development Tracking System. When interfaced with an upgraded web portal under development, this will also provide customers rapid access to inspection results and legible correction notices. The second is investigating the operational efficiencies and customer service enhancements that will be gained by providing customers the ability to make electronic construction plan submittals. This project would provide customers the ability to review, markup and process large electronic files. This electronic functionality would reduce both the time needed to send documents back and forth, and document reproduction for customers and City staff.






# Community and Economic Development CSA

## Core Service: Development Plan Review & Building Construction Inspection *Planning, Building and Code Enforcement Department*

### Performance and Resource Overview (Cont'd.)

#### Performance, Efficiency and Service Improvements (Cont'd.)

Customer satisfaction among development services customers did decline in 2005-2006. This is the first year that satisfaction data was being solicited with the "smart surveys" implemented by the development services partners – Building, Planning, Public Works, and Fire. When projects are closed in the Integrated Development Tracking System, e-mail surveys are automatically sent to the applicant. Historically, those customers who are one-time participants in the development process rate the development process lower in terms of customer satisfaction than do customers who have more experience with the process in San José and other cities. Staff believes the smart surveys are doing a much better job of obtaining feedback from this less satisfied customer sector. In the past, survey respondents were few and far between, with satisfaction percentages sometimes generated by as few as 3 or 4 responses a quarter. Staff received close to 600 survey responses through the first two quarters of 2005-2006. While satisfaction numbers are down, staff is collecting much more useful feedback and will be able to focus resources in problem areas.

Development Plan Review & Building Construction Inspection Performance Summary		2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of projects that receive thorough, complete and consistent processing in the first cycle of the staff review process:	Planning Permit Process	96%	90%	97%	90%
	Building Plan Check Process	89%	90%	90%	90%
	Building Inspection Process	88%	75%	90%	75%
 Ratio of current year fee revenue to development fee program cost		109%	99%	100%	94%
 Development projects completed within processing time targets:	Planning Permit Process	86%	100%	80%	100%
	Building Plan Check Process	90%	100%	84%	100%
	Building Inspection Process	98%	85%	93%	85%
 % of process participants rating service "good" or better	Planning Permit Process	58%	75%	58%	75%
	Building Plan Check Process	71%	75%	68%	75%
	Building Inspection Process	92%	75%	63%	75%
 % of residents surveyed who rate the quality of architecture and landscape design/maintenance in new development in their neighborhood as good or better		50%	75%	75%	75%

*Changes to Performance Measures from 2005-2006 Adopted Budget: No*

# Community and Economic Development CSA

## Core Service: Development Plan Review & Building Construction Inspection Planning, Building and Code Enforcement Department

### Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Number of building permits issued	29,912	33,000	34,660	33,000
Number of customers served in Permit Center	24,705	28,000	20,850	25,000
Number of plan checks	6,360	6,500	6,700	6,500
Number of field inspections	180,352	185,000	183,980	185,000
Number of planning applications - Major	613	600	610	600
- Minor	118	125	170	150
Number of planning adjustments	1,017	1,100	1,030	1,10

*Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No*

Development Plan Review & Building Construction Inspection Resource Summary	2005-2006 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 20,306,067	\$ 21,678,696	\$ 23,630,704	\$ 24,245,480	11.8%
Non-Personal/Equipment	1,053,679	1,756,891	1,344,691	2,065,891	17.6%
<b>Total</b>	<b>\$ 21,359,746</b>	<b>\$ 23,435,587</b>	<b>\$ 24,975,395</b>	<b>\$ 26,311,371</b>	<b>12.3%</b>
<b>Authorized Positions</b>	<b>208.45</b>	<b>206.45</b>	<b>207.95</b>	<b>212.95</b>	<b>3.1%</b>

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# Community and Economic Development CSA

## Core Service: Development Plan Review & Building Construction Inspection

*Planning, Building and Code Enforcement Department*

### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### SAFE, HEALTHY, ATTRACTIVE AND VITAL COMMUNITY

##### 1. In-Source Vehicle Maintenance Activities (6,300) (6,300)

This action will bring more vehicle maintenance and repair services in-house, while producing savings to the City through a reduction to the contractual services budget. Contingent upon the filling of two Mechanic position vacancies, this reduction will result in a cost savings of \$272,500, of which \$220,725 is generated in the General Fund. As a result of using in-house Fleet Maintenance staff to troubleshoot and resolve mechanical problems, efficiencies should be gained as less fleet equipment will be transported to and from outside facilities; however, cycle times may rise during peak workload periods due to the reduction in the ability for Fleet Management to use contractual services for some major and complex repairs. The cost savings in the Planning, Building and Code Enforcement Department, Development Plan Review & Building Inspection section is \$6,300. (Ongoing savings: \$6,300)

#### Performance Results:

**Quality** A higher quality of work on repairs that are completed should be realized as it will be easier to monitor in-house staff repairs than with a vendor. **Cycle Times** Cycle times for routine repairs are anticipated to decrease as a result of bringing more of them in-house. Cycle times for major and complex repairs could increase, however, as the reduction in the ability to use contractual services during peak workload periods may cause some non-public safety related repairs to be deferred.

##### 2. Planning Fee Program 10,000 10,000

This action bridges the gap between anticipated revenues of \$5.8 million and base expenditures of \$6.4 million in the Planning Fee Program by increasing fees an average of 7% and use of the fee reserve (\$301,495). In addition, one-time funding to purchase updated apartment and condominium information (\$10,000) to update the Planning mailing database to comply with the City's Public Noticing requirements was approved. (Ongoing savings: \$0)

#### Performance Results:

**Cycle Time** Planning Fee program will strive to achieve agreed upon response times for services. **Cost** Implements phased fee changes to match projected development activity.

# Community and Economic Development CSA

## Core Service: Development Plan Review & Building Construction Inspection *Planning, Building and Code Enforcement Department*

### Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### SAFE, HEALTHY, ATTRACTIVE AND VITAL COMMUNITY (CONT'D.)

3. Building Fee Program	5.00	791,426	791,426
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In order to respond to projected activity levels, achieve agreed upon cycle time and quality standards, and bridge the gap between anticipated revenues of \$24.7 million and base expenditures of \$25.2 million, several actions were approved. 1) Fees were approved to be increased an average of 7% (\$1,588,370); 2) The Program will be implementing a fee structure based on the time it takes to deliver service instead of on valuation for commercial and industrial projects, the last sector to be converted. (In 2003-2004, the Building program converted to this new methodology across all sectors in residential.) This change will result in a reduction to revenues of approximately 8%; 3) The remaining gap was approved to be bridged with use of the program's fee reserve (\$1,853,775).

The addition of five positions and miscellaneous non-personal/equipment funding purchases were also approved. The addition of three positions, two Planners and Associate Engineer is necessary to improve service in the Customer Service Center and response time on verification letter requests. These additions will make the existing staff more efficient because they will be able to focus on project reviews. Customer satisfaction is anticipated to increase because customers will no longer be waiting more than 30 minutes for assistance. In addition, two positions (Supervising Building Inspector and Building Inspection Manager) were approved for the establishment of the Industrial Tool Installation program. Funding to replace aging printers, computers, monitors and purchase software updates (\$77,680); to purchase 2006 National Building Code (\$20,000) books for staff; to establish a reserve to replace six field inspection vehicles (\$126,000) that have become unreliable; to purchase 40 digital cameras (\$16,000) for inspectors to document field issues; to fund physical improvements to the Customer Service Center (\$45,000) in order to maximize operational efficiency, safety and customer service were also approved. (Ongoing costs: \$552,517)

#### Performance Results:

**Cycle Time** Building Fee program will achieve agreed upon response times for services. **Cost** Implements phased fee changes to match projected development activity.

4. Rebudgets: Building and Planning Fee Program Efficiency and Service Improvements		540,850	540,850
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The rebudget of unexpended 2005-2006 funds will allow the Department to complete Contractual Plan Check contracts (\$150,000), Facility Improvements (\$140,000), Public Address System (\$100,000), Architectural Review Committee (\$70,000), Remote Data Inspection/Electronic Plan Review (\$40,000), and Temporary Accounting Staffing and Reprogramming for New Commercial and Industrial Fee Structure (\$40,850). (Ongoing costs: \$0)

**Performance Results:** N/A (Final Budget Modification)

2006-2007 Adopted Core Service Changes Total	5.00	1,335,976	1,335,976
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# Community and Economic Development CSA

## Core Service: Fire Safety Code Compliance *Fire Department*

### Core Service Purpose

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**M**inimize loss of life and property from fires and hazardous materials releases. Provide on-site code inspections and code plan review services to the City of San José business community and residents in the San José service area, resulting in a fire and chemical safe environment.

#### Key Operational Services:

- ☐ **Engineering (Development Review)**

### Performance and Resource Overview

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**T**he goal of the Fire Safety Code Compliance core service is to enforce the Fire and Health and Safety Codes. This goal is attained through customer education during the plan review consultations, inspection process, and enforcement. This core service contributes to the Community and Economic Development (CED) City Service Area outcome *"Safe, Healthy, Attractive and Vital Community"*. In cooperation with the Planning, Building and Code Enforcement and Public Works Departments, there is an ongoing effort to streamline the development permit and plan check review process.

The City-adopted California Fire Code requires inspections of all new and tenant-improvement construction related to fire and life safety. Site inspections prior to construction are required to ensure adequate water supply and fire apparatus access.

#### Fire Fee Program Cost Recovery Status

By Council policy, the Fire Fee Program revenues should recover 100% of costs. In 2005-2006, the Fire Fee Program performed slightly above cost recovery goals. Several high-rise projects and an increase in commercial and industrial construction activity resulted in higher than anticipated revenues. With the estimated level of activity for 2006-2007 expected to continue, however, the degradation of performance which has occurred in the past year, as discussed in further detail below could be expected to continue. To address these performance issues and maintain the Council adopted cost recovery policy, several actions were approved as part of this Adopted Budget. The addition of three Associate Engineers and overtime is included in this budget to provide additional plan review and inspection capacity, and implement an Industrial Tool Installation Program in conjunction with the Planning, Building, and Code Enforcement Department. In addition, shared support of a development services webmaster was approved to update information on the development services website. To offset these resource augmentations and cover increases in salary and benefits costs, an overall increase of 4.5% to Fire Department development-related fees were approved.

# Community and Economic Development CSA

## Core Service: Fire Safety Code Compliance *Fire Department*

### **Performance and Resource Overview (Cont'd.)**

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#### **Fire Fee Program Cost Recovery Status (Cont'd.)**

These actions will maintain the 100% cost recovery goal in this program, balancing anticipated revenue and the use of reserves as approved as part of the Mayor's June Budget Message, with expenditures projected at \$4.7 million.

#### **Development Fee Program Performance**





Development Fee Program activity in 2005-2006 experienced a continuation of the upswing of engineering activity level achieved in 2004-2005. With a noticeable increase in larger, more complex projects that require additional staff review time and increases in overall plan reviews performed, performance for Fire Plan Check processing targets met was expected to decline to 71% in 2005-2006. This level was down from the 2004-2005 Actual level of 82%, and significantly below the 2005-2006 Target of 100%. As a result of these larger, more complex projects, Fire Department staff has had to focus resources on completing fire inspections. The performance for Fire Inspections within 24 Hours is expected to end the year at 88%, which is above the 2005-2006 Target of 85%, but below the 2004-2005 actual performance of 96%. For 2006-2007, several actions were approved in order to address the challenges of meeting turnaround performance targets, especially in the Express Review program. The addition of three Associate Engineers, in addition to the Associate Engineer approved as part of the 2005-2006 Mid-Year Budget Review for the Small Business Ambassador Program, are expected to enable the program to meet performance targets in 2006-2007.

The Fire Department is completing a Business Plan for all inspection and engineering programs. The Business Plan will enable program management to define resource allocations, and triggers for requesting any additional positions that may be required to meet program targets, while remaining cost recovery.

# Community and Economic Development CSA

## Core Service: Fire Safety Code Compliance Fire Department

### Performance and Resource Overview (Cont'd.)

Fire Safety Code Compliance Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of projects that receive thorough, complete and consistent processing in the first cycle of the staff review process - Fire Plan Check - Inspections	85% 88%	90% 85%	72% N/A*	90% 85%
 Ratio of estimated current year fee revenue to fee program cost	100%	100%	102%**	100%
 Selected cycle time measures for Development services: - Fire Plan Check processing targets met - Fire inspections within 24 hours	82% 96%	100% 85%	71% 88%	100% 85%
 % of Development process participants rating service as good or excellent	N/A***	75%	73%	75%

*Changes to Performance Measures from 2005-2006 Adopted Operating Budget: No*

- \* The Fire Department is undergoing a change in methodology for this measure from customer survey based to a random sampling. Insufficient data in 2005-2006 is available to provide an accurate and reliable estimate.  
 \*\* Any amount over cost recovery will be placed in the Fire Department - Fee Supported Reserve for use in this program.  
 \*\*\* Insufficient data available. The Fire Department was not involved with the Development Process Survey in 2004-2005.

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Plan Reviews Performed	3,975	4,000	4,500	4,500
Inspections Performed	5,043	4,500	6,000	6,000

*Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No*

Fire Safety Code Compliance Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 3,580,836	\$ 2,090,465	\$ 2,365,237	\$ 2,713,886	29.8%
Non-Personal/Equipment	194,659	74,614	74,614	85,114	14.1%
<b>Total</b>	<b>\$ 3,775,495</b>	<b>\$ 2,165,079</b>	<b>\$ 2,439,851</b>	<b>\$ 2,799,000</b>	<b>29.3%</b>
<b>Authorized Positions</b>	<b>17.25</b>	<b>17.25</b>	<b>18.25</b>	<b>21.25</b>	<b>23.2%</b>

- \* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

# Community and Economic Development CSA

## Core Service: Fire Safety Code Compliance *Fire Department*

### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
<b>SAFE, HEALTHY, ATTRACTIVE AND VITAL COMMUNITY</b>			
1. Fire Fee Program	3.00	359,149	359,149
<p>This action funds three Associate Engineer positions and overtime to provide additional plan review and inspection support; establishes an Industrial Tool Installation (ITI) Program in conjunction with the Planning, Building, and Code Enforcement Department; increases development-related fees by 4.5% to cover increases in salary and benefits costs; and shares costs for a development services webmaster. The ITI Program, included in the Mayor's June Budget Message, will facilitate improved customer service for existing high-tech manufacturing, and research and development facilities. These actions, with the use of Fire Department fee reserves (\$129,500), would balance development related Fire Fee Program revenues and expenditures projected at \$4.7 million. (Ongoing costs: \$247,229)</p> <p><b>Performance Results:</b> <b>Cost</b> To achieve full cost-recovery, these actions will increase revenue to match the projected workload for the Fire Fee Program. <b>Customer Satisfaction</b> As a result of these additional resources, Fire Plan Check Processing targets met is expected to increase from 71% to 100%. The percent of projects that receive thorough, complete, and consistent processing in the first cycle of the staff review process through the Fire Plan Check review is expected to increase from 72% to 90%.</p>			
2006-2007 Adopted Core Service Changes Total	3.00	359,149	359,149

# Community and Economic Development CSA

## Core Service: Long Range Land Use Planning *Planning, Building and Code Enforcement Department*

### Core Service Purpose

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**D**evelop land use plans and policies to guide the future physical growth of the City.

#### Key Operational Services:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>City-wide Land Use Planning<br/>(General Plan)</b> | <input type="checkbox"/> <b>Specific/Area Planning</b>       |
| <input type="checkbox"/> <b>Historic Preservation</b>                          | <input type="checkbox"/> <b>Neighborhood Revitalization</b>  |
|  | <input type="checkbox"/> <b>Policy/Ordinance Development</b> |

### Performance and Resource Overview

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**T**he following are desired outcomes of this core service: a General Plan that is kept relevant and current through the incorporation of approved amendments; a Zoning Code that is clear and current; and land use plans, maps, and documents that are clear, comprehensive, and accessible to customers. This core service contributes to two of the three outcomes of the Community and Economic and Development City Service Area: 1) *Strong Economic Base*; and 2) *Safe, Healthy, Attractive and Vital Community*.

#### Long Range Land Use Planning Overview

In addition to developer-funded planning efforts (i.e., Coyote Valley Specific Plan and Evergreen\*East Hills Vision Strategy) the City continues to perform limited long range planning work with City funds. These planning activities include Council-initiated General Plan and policy changes; planning associated with the implementation of Strong Neighborhoods Initiative (SNI) plans; and limited proactive policy and regulatory work to advance the City's adopted Economic Development Strategy. Each of these activities directly address City Council priorities.

For 2006-2007, the preparatory work for a comprehensive General Plan update would further advance the City's long range planning program, including Council goals with respect to economic development, affordable housing, and overall quality of life. The formal initiation of a comprehensive update will be considered by Council in spring 2007.

#### Staff Resources

While this Adopted Budget does not include long range planning staff cuts, reductions from prior years continue to impact the capacity of staff to take on new assignments. In addition, dedicated limit-dated staffing supports the Coyote Valley Specific Plan and Evergreen\*East Hills Vision Strategy. These positions are scheduled for elimination upon completion of these efforts.

# Community and Economic Development CSA

## Core Service: Long Range Land Use Planning *Planning, Building and Code Enforcement Department*

### **Performance and Resource Overview (Cont'd.)**

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#### **Staff Resources (Cont'd.)**

This budget does include the addition of a Planner position to work on the annexation of unincorporated islands with the City limits. These proposed annexations will be processed in batches over the next three years. A Senior Planner and a Planner were also approved, with a start date in January 2007, to begin preliminary work on the comprehensive General Plan Update. The Update is anticipated to be completed in 2008-2009. In addition, a Planner position has been approved for expanding Strong Neighborhoods beyond redevelopment areas and transforming the way the City works with all of its neighborhoods.

#### **City-Wide Land Use Planning**

Since 2003-2004, four General Plan hearings per year have been scheduled. This will continue in 2006-2007. Resources have been reallocated to this function because it is fee-based. As applications increase, additional resources commensurate with increased fee revenue may be needed in order to meet performance goals. Only a portion of the staff resources are available to support Council initiated policy initiatives to facilitate economic development, affordable housing and other City objectives.

#### **General Plan Update**

The last comprehensive update of San José's General Plan was adopted in 1994. Given the significant growth issues facing the City, another comprehensive update is needed to allow City staff and the City Council to engage the community in preparing a land use vision to direct future growth while preserving the quality of life in neighborhoods. A new plan will assist policy makers in shaping a positive future for the community. It is estimated that the General Plan update process will take two to three years and cost approximately \$3.2 million (plus approximately \$1.5 million in already budgeted staff resources). State law allows local governments to levy a fee on development permits to pay the costs of a comprehensive update of their General Plan. It is anticipated that revenue from the General Plan Update fee that was implemented in 2003-2004 and funds already set aside in the General Plan Update Reserve will cover the project's estimated \$1 million cost of contractual services (included in \$3.2 million estimate above).

By adopting MBA #25 as part of the final 2004-2005 Adopted Operating Budget package, the City Council approved a timetable for the two-year process beginning in mid-2006. The adopted Mayor's March Budget Message moved the timetable back 6 months to January 2007 to coincide with the next Mayor and Council taking office, but recommended that additional funding be set aside for the project. Funds were approved, beginning in January 2007 for the addition of a Planner and a Senior Planner position to support these efforts. This project will also require the redeployment of a Planner from the long-range planning Special Projects Team, the participation of staff from almost all City Departments and Offices, and the extensive involvement of the PBCE Director and long-range planning Deputy Director.



# Community and Economic Development CSA

## Core Service: Long Range Land Use Planning Planning, Building and Code Enforcement Department

### Performance and Resource Overview (Cont'd.)




#### Strong Neighborhoods Initiative and Special Projects Team

The SNI Team continues to implement planning actions associated with the 19 approved SNI Neighborhood Improvement Plans. Working with the community and property owners, staff is proactively initiating and processing General Plan amendments and rezoning proposals intended to reflect the action items in the adopted SNI Plans, facilitate development and reinvestment in these neighborhoods, and protect existing character of the neighborhood. In 2006-2007, this group may be working on renewing the action agendas for the 19 SNI Areas, pending Council action as well as expanding SNI beyond redevelopment areas to all San José's neighborhoods. To begin that work, a Planner position has been added to the SNI Team for 2006-2007.

The Special Projects Team is responsible for other special projects. Staff is currently working on the implementation of the North San José Area Development Policy to facilitate economic, housing and mixed-use development. This team is expected to take on additional focused land use planning efforts, including the annexation of small County pockets. The addition of a Planner and \$86,000 in non-personal/equipment funding was approved for the first year of that three-year project.

#### Major Plans

Per the adopted Council Budget Strategy, new advance planning efforts must now be funded by outside sources. The Coyote Valley Specific Plan and Evergreen\*East Hills Vision Strategy are both underway and will be completed in 2006-2007. These major, highly visible, and community-based planning efforts require intensive inter-departmental and inter-agency coordination as well as day-to-day project management to meet the aggressive schedules established for each effort.

Long Range Land Use Planning Performance Summary		2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
	% of special planning efforts completed within targeted cost:				
	Specific/Area Policy Plans:	100%	100%	N/A	100%
	North San José Development Policy:	100%	N/A	N/A	N/A
	% of special planning efforts completed within targeted time:				
	Specific/Area Policy Plans:	100%	100%	0%*	100%
	North San José Development Policy:	100%	N/A	N/A	N/A
	% of planning process participants rating service as "good" or "excellent"	85%	85%	85%	85%

*Changes to Performance Measures from 2005-2006 Adopted Budget: No*

\* The original timetables for both the Evergreen\*East Hills Vision Strategy and Coyote Valley Specific Plan had completion scheduled for 2005-2006. Both projects will be completed in 2006-2007.

# Community and Economic Development CSA

## Core Service: Long Range Land Use Planning Planning, Building and Code Enforcement Department

### Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Number of Scheduled/Completed Specific/Area Policy Plans	2 of 2	2 of 2	0 of 2*	2 of 2
Number of planning policy studies	0 of 0	0 of 0	0 of 0	0 of 0
Number of General Plan Amendments	30	30	30	50

*Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No*

\* The original timetables for both the Evergreen\*East Hills Vision Strategy and Coyote Valley Specific Plan had completion scheduled for 2005-2006. Both projects will be completed in 2006-2007.

Long Range Land Use Planning Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 2,204,179	\$ 2,242,287	\$ 2,527,675	\$ 2,737,496	22.1%
Non-Personal/Equipment	159,607	238,343	239,118	325,118	36.4%
<b>Total</b>	<b>\$ 2,363,786</b>	<b>\$ 2,480,630</b>	<b>\$ 2,766,793</b>	<b>\$ 3,062,614</b>	<b>23.5%</b>
<b>Authorized Positions</b>	<b>30.45</b>	<b>30.45</b>	<b>22.95</b>	<b>35.95</b>	<b>18.1%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

# Community and Economic Development CSA

## Core Service: Long Range Land Use Planning *Planning, Building and Code Enforcement Department*

### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### SAFE, HEALTHY, ATTRACTIVE AND VITAL COMMUNITY

1. Comprehensive General Plan Update	2.00	100,520	100,520
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This addition provides sufficient resources to begin the groundwork for a comprehensive update of the General Plan, beginning in January 2007. These resources, Senior Planner and Planner, will be needed to manage the process of seeking public input and consultant contracts for this three-year effort. The first phase of this project is focused on stakeholder identification, public education, and inter-agency and medial coordination. The consultant costs of the update will be provided by an earmarked reserve that was reimbursed by the General Plan Update fee. Traditionally, General Plans undergo a comprehensive update every ten years. San José's last comprehensive update was completed in 1994. The completion of this Update would ensure that the City would not lose its authority to regulate land use and issue permits that could be challenged under state law. (Ongoing costs: \$173,384)

#### Performance Results:

**Quality/Customer Satisfaction** An updated Comprehensive General Plan would provide development applicants and the City Council with a current framework for land use investments and decisions.

2. Annexation Implementation	1.00	195,301	195,301
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This addition adds sufficient resources (Planner and non-personal/equipment) to phase in, over three years, the annexation (and rezoning) of unincorporated islands (areas that are entirely or predominantly surrounded by annexed territory of the City of San José) of up to 150-acres within the City of San José Urban Service Area. This effort is in response to recent changes in State law regarding a streamlined LAFCO process that is intended to facilitate the annexation of unincorporated pockets by surrounding jurisdictions that can generally provide urban services in a more efficient manner. (Ongoing costs: \$165,358)

#### Performance Results:

**Cycle Time** Additional resources will enable the unincorporated islands to be annexed over a three year time frame.

# Community and Economic Development CSA

## Core Service: Long Range Land Use Planning *Planning, Building and Code Enforcement Department*

### Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
<b>SAFE, HEALTHY, ATTRACTIVE AND VITAL COMMUNITY (CONT'D.)</b>			
<b>3. Special Long Range Planning Efforts</b>	<b>10.00</b>	<b>0</b>	<b>0</b>
<p>A technical <b>adjustment</b> was approved to extend the limit dates for nine positions authorized to support the planning efforts of the Evergreen*East Hills Vision Strategy (Planner and Senior Planner positions extended <b>until</b> December 31, 2006) and Coyote Valley Specific Plan (2.0 Planner, 1.0 Senior and 2.0 Principal Planners, 1.0 GIS Specialist and 1.0 Office Specialist positions until June 30, 2007). The funding, <b>which</b> is reimbursed by the developers, appears in the City-Wide expenses section of this document. In addition, a new temporary Planner position has been approved to support the Strong Neighborhoods (SNI) effort city-wide. The funding for the SNI Planner also appears in the City-Wide expenses <b>section</b> of this document. (Ongoing costs: \$0)</p>			
<p><b>Performance Results:</b> <b>Cycle Time</b> These resources will allow for the completion of the Coyote Valley Specific Plan and Evergreen*East Hills Vision Strategy as well as beginning the proposed expansion of SNI city-wide without impacting existing workload.</p>			
<b>2006-2007 Adopted Core Service Changes Total</b>	<b>13.00</b>	<b>295,821</b>	<b>295,821</b>

# Community and Economic Development CSA

**Core Service: Outdoor Special Events**  
*City Manager – Office of Economic Development*

## Core Service Purpose

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**T**o attract, coordinate, support and produce outdoor special events on public and private property, and manage supporting programs.

### Key Operational Services:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Attract / Recruit New Signature Special Events</b> | <input type="checkbox"/> <b>Support Development / Improvement of Existing Special Events</b> |
| <input type="checkbox"/> <b>Coordination and Support for Special Events</b>    | <input type="checkbox"/> <b>Development/Enforcement of Event Policies/Guidelines</b>         |
| <input type="checkbox"/> <b>Special Event Development and Production</b>       | <input type="checkbox"/> <b>Special Event Grant Support</b>                                  |

## Performance and Resource Overview

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**T**he Outdoor Special Events core service supports both Outcome 1 (*Strong Economic Base*) and Outcome 2 (*Diverse Range of Events, Arts and Cultural Offerings*) of the Community and Economic Development City Service Area. Housed in the Office of Cultural Affairs (OCA), a division of the Office of Economic Development, this core service supports the recruitment and attraction of new “signature” special events to drive economic impact and enhance community vitality; oversees all special event planning; coordinates the delivery of services from multiple City departments to support events; permits and authorizes special events on public and private property throughout the City; develops policies, regulations and ordinances related to special events; and is a key participant in planning new or improved outdoor event venues.

In 2005-2006, the Special Events Program experienced major change and a new direction for growth, with the recruitment of two “signature” new events – the 2005 *San José Grand Prix* and the 2006 *Amgen Tour of California*. New relationships between City departments and management staff were forged: internal teams, each with a specific focus, worked directly with event producers, downtown businesses and neighborhood groups to successfully launch these major events. Production of three additional “signature” events for 2006-2007 is in progress. The Program is shifting from one of regulatory enforcement to encouraging and growing special events that help position San José as a creative urban center, drive the economy and contribute to the quality of life.

The Special Events Program also designs and produces special City events on an as-needed basis, such as the *Amgen Tour of California Kick-off Celebration* and other City-sponsored events associated with “signature” events. The Program supports unique one-time events such as the *City Hall Grand Opening* activities; participates in special projects such as the upcoming *San José State University 150<sup>th</sup> Anniversary Celebration*, and provides a broad range of event planning such as that required for the August 2006 *Inter-Society of Electronic Arts (ISEA) Symposium* and *ZeroOne San José: A Global Festival of Art on the Edge*. Events Program staff are an integral partner with the San José Convention and

# Community and Economic Development CSA

## Core Service: Outdoor Special Events City Manager – Office of Economic Development

### Performance and Resource Overview (Cont'd.)

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Visitor's Bureau for the *Access San José* initiative, which offers a wide variety of indoor and outdoor venues to attract conventions and conferences to Downtown San José.

The 2005 San José Community Survey reflected a two-percentage point increase (from 46% to 48%) in the community's perception of the City's efforts at providing an adequate number and variety of outdoor special events. With the next survey likely occurring in 2007, the 2006-2007 target remains unchanged at 48%. It is anticipated that the approved staff augmentation will allow new events to be recruited and the marketing efforts of existing events to be broadened and improved, resulting in an increase in the satisfaction rate. For 2006-2007, significant new sporting events, such as the *Rock and Roll Half Marathon* and *San José Cycling Classic* will begin in San José; while the first festival featuring cutting edge art and technology – *ZeroOne San José* – will bring thousands of international, national and regional visitors to the downtown area. In 2006-2007, the core service plans include completion of a methodology to measure the economic impact of various types of special events.

A key challenge for this core service is the number, size and complexity of events and how to incorporate them into the community, while maintaining normal business activity and neighborhood integrity. Community outreach and business coordination has expanded considerably with the recruitment of large-scale signature events such as the *San José Grand Prix*, which occupies key Downtown streets and venues for up to one week, and the *Amgen Tour of California*, which was conducted on miles of City streets running through neighborhoods and business districts. In 2005-2006, the Events Program instituted a Community Service Event Voicemail system – staff responded to all messages within 24 hours – and provided detailed traffic and impact notifications by postal mail to community members for the *Tour of California*. The goal of these efforts is to integrate special events into the community as seamlessly as possible. One measure of these integration efforts – “% of neighbors rating event coordination good to excellent based on safety and planning” – has not produced meaningful results, since the methodology used to collect data for this measure may have produced an artificially high result. Therefore, a new collection methodology has been developed and the estimated 2005-2006 result has been reduced to 75%, pending the outcome of the neighborhood survey. In 2006-2007, the target is increased to 80% to reflect the impact of additional staffing resources. Data for other measures is not available due to staff turnover and vacancies during the period. However, with the staff augmentation included in this budget, refocus on data collection and an assessment of the existing performance measures will be undertaken.

Multiple agencies provide event infrastructure and permitting services (e.g., utilities, street closures, traffic management, fire inspections, parks oversight, Caltrans, Federal Aviation Authority, Valley Transportation Authority, Santa Clara County Health, Alcoholic Beverage Control, etc.). Therefore, effective pre-event planning coordination by OCA's Events Program staff is critical to ensure that services are provided in a cost effective and timely manner, and all required permits are obtained to ensure public health and safety. In 2005-2006, OCA staff worked with PRNS to consolidate two instructional booklets into a comprehensive Special Event Guidelines, updated to reflect current

## Community and Economic Development CSA

### Core Service: Outdoor Special Events

*City Manager – Office of Economic Development*

### **Performance and Resource Overview (Cont'd.)**

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standards for conducting events within the City. This budget includes funding to provide event producers a one-stop source of information on permits, fees, insurance, venues, agency contacts, etc., to assist them with planning successful outdoor events. The measure “% of events rated by City departments as good to excellent based on planning” is expected to yield high results in 2005-2006. A slight improvement is expected in 2006-2007 with the approved new staffing augmentation.

One performance result that is not specifically called out in the performance measures is the percentage of recovered costs for expenses incurred by City departments to provide services (inspections, traffic management, etc.) for special events. In 2004-2005, the Program maintained a high cost recovery rate (98%). However, with the new emphasis on City investment in partnerships that bring significant, large special events - driving hotel room nights and promoting the City nationally and internationally - the cost recovery rate for the City is significantly smaller for 2005-2006 and into the future. This affects the “net cost to City for City services per 1,000 attendees” performance measure at special events, which increases sharply in 2005-2006. It is important to note, however, that the benefits from the new City investments in special events are not represented in existing performance measures (e.g. Transient Occupancy Tax revenues, parking revenues, sales tax revenues, the national and international promotional value of signature events, direct spending by attendees, and event-related economic impacts for local business). A single 2005 event, the *San José Grand Prix*, brought an estimated \$23,000,000 in direct spending for race-related expenses and by attendees, \$18,500,000 in indirect spending, plus \$111,500 in net tax/parking revenues to the City.

This core service also administers the Festival, Parade and Celebration Grant Program, an annual competitive program to support events that contribute to the economic enhancement, cultural enrichment and promotion of the City of San José. For the 2006-2007 grant cycle (conducted in spring 2006) a “multi-year rating” opportunity was offered for the first time. Previous grant recipients that met certain criteria could file a simple Declaration to use a previous rating, rather than go through the whole application and review process, thus rewarding successful applicants by simplifying the process. For the 2006-2007 cycle, one-third of grant applicants qualified and elected to take advantage of the multi-year rating opportunity.









The Vertical Banner Program, which installs colorful, event-related banners on street light poles throughout the City, contributed \$78,211 to the General Fund and increased banner utilization with 236 new banner installations. A partnership with San José State University provided a new “way-finding banner” utilization of the pole locations surrounding the campus: the University covered the cost of outfitting new banner pole locations, and agreed that half of the pole locations will remain available for general event banner use.

A comprehensive, informative special event website with an anticipated implementation for fall 2005 was delayed due to staffing vacancies and workload issues. It is anticipated that this new website will be launched by the end of calendar year 2006.

# Community and Economic Development CSA

## Core Service: Outdoor Special Events City Manager – Office of Economic Development

### Performance and Resource Overview (Cont'd.)

Outdoor Special Events Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of events rated by City departments good to excellent based on planning	93%	70%	90%	91%
 Ratio of City grant funding to all other revenue sources	\$1:\$6	\$1: \$9	\$1:\$6.50	\$1:\$7
 Net cost of City services per 1000 event attendees	\$5.40	\$0.95	\$345*	\$360*
 % of events billed within 30 days of cost determination	81%	75%	85%	90%
 % of event organizers rating city services and facilities good to excellent based on safety and planning	N/A**	80%	80%	82%
 % of event attendees rating events good to excellent based on quality, safety and accessibility	N/A**	90%	N/A**	90%
 % of residents rating the City's efforts at providing an adequate number and variety of outdoor special events as good or excellent	46%	48%	48%	48%***
 % of neighbors rating event coordination good to excellent based on safety and planning	N/A**	90%	75%	80%

*Changes to Performance Measures from 2005-2006 Adopted Budget: No*

- \* The City's shift to a financial participant in events with significant economic impact such as the SJ Grand Prix has increased the costs of this previously cost-recovery program.
- \*\* Data is not available due to staff retirements, turnover and vacancies during the period.
- \*\*\* The next San José Community Survey will occur in 2007.

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
# of events held on public and private property	347	400	350	360
# of event attendees	1,914,790	2,000,000	2,100,000	2,150,000
Grant funding for special events	\$344,853	\$310,500	\$358,300	\$370,000
Cost of City services (for special events)	\$430,796	\$475,000	\$1,978,300	\$1,204,000
# of non-profit sponsored events	255	300	255	258
Recovered cost	\$420,454	\$473,100	\$1,254,470	\$431,200

*Changes to Activity & Workload Highlights from the 2005-2006 Adopted Budget: No*



# Community and Economic Development CSA

## Core Service: Outdoor Special Events City Manager – Office of Economic Development

### Performance and Resource Overview (Cont'd.)

Outdoor Special Events Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 314,613	\$ 448,661	\$ 464,748	\$ 568,620	26.7%
Non-Personal/Equipment	75,178	263,092	263,092	258,087	(1.9%)
<b>Total</b>	<b>\$ 389,791</b>	<b>\$ 711,753</b>	<b>\$ 727,840</b>	<b>\$ 826,707</b>	<b>16.2%</b>
<b>Authorized Positions</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>5.00</b>	<b>25.0%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
------------------------------	-----------	-------------------	----------------------

#### STRONG ECONOMIC BASE

- |   |          |          |
|---|----------|----------|
| 1. Economic Development Non-Personal/<br>Equipment Efficiencies | (10,000) | (10,000) |
|---|----------|----------|

This action realigns \$10,000 in non-personal/equipment funding from the Outdoor Special Events Core Service to the Business/Job Attraction, Retention, Expansion and Creation Core Service. A corresponding action is included in the Business/Job Attraction, Retention, Expansion and Creation Core Service. (Ongoing savings: \$10,000)

#### Performance Results:

No change in current service levels will result from this action.

# Community and Economic Development CSA

## Core Service: Outdoor Special Events City Manager – Office of Economic Development

### Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
<b>STRONG ECONOMIC BASE (CONT'D.)</b>			
<b>2. Special Events Coordination</b>	<b>1.00</b>	<b>103,872</b>	<b>103,872</b>
A Senior Events Coordinator position has been added to address increased and more complex special events activities in the City. This position will augment existing staff for special event planning, production, on-site coordination and community outreach for outdoor special events. (Ongoing costs: \$112,839)			
<b>Performance Results:</b> <b>Cycle Time/Customer Satisfaction</b> The additional Senior Events Coordinator position should enhance current pre-event planning and community outreach activities which will reduce complaints from residents and businesses and improving the "% of neighbors rating event coordination good to excellent based on safety and planning" measure from the current level of 75% to 80%. In addition, increased post-event evaluation and follow-up activities would be undertaken to prevent problems from recurring.			
<b>3. Rebudget: Festival Grant Program</b>		<b>4,995</b>	<b>4,995</b>
The rebudget of unexpended 2005-2006 funds will support the 2006-2007 Festival Grant Program. (Ongoing costs: \$0)			
<b>Performance Results:</b> N/A (Final Budget Modification)			
<b>2006-2007 Adopted Core Service Changes Total</b>	<b>1.00</b>	<b>98,867</b>	<b>98,867</b>

# Community and Economic Development CSA

## Core Service: Regulate/Facilitate Private Development *Public Works Department*

### Core Service Purpose

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**R**evue of private development to ensure that new development contributes to the safety and welfare of the citizens as well as the City's economic development.

#### Key Operational Services:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Grading Permits</b>            | <input type="checkbox"/> <b>Development Application Review</b> |
| <input type="checkbox"/> <b>Public Improvement Permits</b> | <input type="checkbox"/> <b>Assessment Engineering</b>         |
| <input type="checkbox"/> <b>Traffic Reports</b>            | <input type="checkbox"/> <b>Utility Permits</b>                |
| <input type="checkbox"/> <b>Inspection</b>                 | <input type="checkbox"/> <b>Underground Service Alert</b>      |
| <input type="checkbox"/> <b>Subdivision Maps</b>           |  |

### Performance and Resource Overview

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**T**here are three components to this core service: Development Plan Review and Inspection, which involves Public Works' review of private development planning projects, development of Public Works' conditions of approval, and inspection of public facilities construction; Assessment Engineering, which administers projects funded by municipal financing districts; and the Utility Program, which reviews and issues permits to utility companies and locates city owned underground facilities. The Development Fee Program is operated on a 100% cost-recovery basis and requires the flexibility of adding and removing positions in response to fluctuations in development activity.

All of the operational services under the core service of Regulate/Facilitate Private Development contribute to the Community and Economic Development City Service Area's outcome *Safe, Healthy, Attractive and Vital Community*.

In 2003-2004, Public Works moved forward with a fee increase, which also included several new fees. In 2003-2004 and 2004-2005, workload increased significantly resulting in record collections of \$7.7 million and \$7.9 million, respectively. However, because the 2003-2004 fee increase was a one year increase and not phased over several years, the imbalance between service costs and the fee structure became apparent once again in 2004-2005. While revenue in 2005-2006 was projected to meet the \$7.1 million target, a fee increase was required in 2006-2007 to maintain 100% cost recovery and current service levels while keeping up with escalating costs.

In 2006-2007, revenue collections were expected to increase to \$7.27 million due to a projected increase in permit activity for residential projects. Program expenditures were, however projected to increase to approximately \$8.0 million due to increases in salary and benefits, overhead costs, and City Hall occupancy costs (being phased in over a five-year period). The 2006-2007 budget includes a combination of actions including: strategic augmentations which should improve service

# **Community and Economic Development CSA**

## **Core Service: Regulate/Facilitate Private Development** *Public Works Department*

### **Performance and Resource Overview (Cont'd.)**

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levels, a multi-year fee increase proposal, and the use of reserves to close the gap between projected revenues and expenditures. The use of reserves is incorporated to afford the development community a more palatable phase-in approach to attaining a cost recovery position.

Public Works, working with its development fee program partner departments, is currently engaged in an extensive outreach effort with the Private Development Industry, which includes the Chamber of Commerce, Home Builder's Association, National Association of Remodeling Industry (NARI), and the National Association of Industrial and Office Properties (NAIOP), regarding 2006-2007 fee increases. In an effort to speak with "one-voice" to the Development customer base, Public Works partnered with the Department of Planning, Building and Code Enforcement and the Fire Department in 2005-2006 and presented a four-year cost-recovery strategy to bring the respective fee programs to full cost recovery by the end of 2009-2010.

#### **Assessment Engineering**

The Assessment Engineering section administers projects funded by municipal financing districts. Responsibilities of this section include district formation, preparing plans and specifications, awarding contracts, inspecting construction, collecting and accounting for assessment payments and maintaining public infrastructure improvements. Currently, this group assists the Department of Transportation to manage twelve Community Facilities Districts, thirteen Maintenance Assessment Districts, and 10 Improvement Districts. This section is also responsible for managing several public improvement related projects funded by the Redevelopment Agency, such as improvements in the Edenvale area.

#### **Utility Permits**

The Utilities section reviews plans and issues permits for work performed by utility and telecommunication companies and locates City-owned underground facilities. The Utilities section also prepares for City Council's approval a five-year plan to underground existing utility company facilities and remove utility poles. These activities are funded by the Public Utilities Commission's utility undergrounding program (Rule 20B). Further information on this program can be found in the Developer Assisted Projects Capital Program section of the 2006-2007 Adopted Capital Budget.

The activity and workload highlight "Number of underground service alert (USA) requests received" 2005-2006 estimate is anticipated to fall short of 2005-2006 forecasted levels. This is due to Comcast completing its cable upgrade project earlier than anticipated. However, with potential changes in the telecom industry, USA requests are anticipated to increase in 2006-2007. Even if legislation does not promptly occur, utility companies have applied for numerous permits to begin preparing their infrastructure in anticipation of changes.

# Community and Economic Development CSA

## Core Service: Regulate/Facilitate Private Development

### *Public Works Department*

## **Performance and Resource Overview (Cont'd.)**

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### **Utility Permits (Cont'd.)**





Based on feedback from the City Council's Getting Families Back to Work study sessions, the adopted Economic Development Strategy, and recommendations from development industry groups, the cycle time performance measurement target was raised to 100% in 2004-2005. While the current performance related to cycle time still falls short of this target, it is important to note that performance improved significantly after the implementation of the 2003-2004 fee increase that funded additional resources (65% in 2002-2003, 83% in 2003-2004, and 82% in 2004-2005). While results for this measurement improved immediately after the 2003-2004 fee increase, the department has not been able to retain the level of staff resources necessary to continue the upward trend due to the fact that the fee increase was one-time. As a result of staffing reductions which have been necessary to balance the program in subsequent years, turnaround time has decreased to a 2005-2006 estimate of 72%. With the addition of two positions into the Development Fee Program in 2006-2007, the Department expects to reverse the downward trend in this category.

Both the "number of customer surveys returned" and "number of customers surveyed with a rating of good or excellent" activity and workload highlights were anticipated to fall short of 2005-2006 forecasted levels. This is primarily due to a 2004-2005 change in methodology for the data collection of these measures. The Department has adopted an automated e-mail survey as opposed to the classic telephone survey, which should ultimately improve the response rates. While the 2005-2006 estimate of respondents is still lower than the target, it is significantly higher than the number of 2004-2005 respondents and the response rate has improved steadily in 2005-2006. Another anticipated result of the new survey methodology was an overall short-term drop in customer satisfaction. This could be attributable to the fact that these new surveys now reach a wider spectrum of customers with a broader range of expectations than under the previous methodology. Previous surveys tended to garner responses from customers more accustomed to the development review process. In an effort to continuously improve surveying methodology, Public Works has partnered with the Planning, Building and Code Enforcement Department to regularly review the Development Services group's approach to surveying customers.

# Community and Economic Development CSA

## Core Service: Regulate/Facilitate Private Development Public Works Department

### Performance and Resource Overview (Cont'd.)

Regulate/Facilitate Private Development Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of projects that receive thorough, complete, and consistent processing in the first cycle of the review process: Development Review*	83%	90%	80%	90%
 Ratio of current year fee revenue to Development Fee Program cost	96%	97.7%	100%	97.5%**
 Selected cycle time measures for: Improvement plan processing targets met*	83%	100%	72%	100%
Planning processing targets met	80%	100%	68%	100%
 % of Development process participants rating service as good or excellent: Development Review*	86%	75%	65%	75%

*Changes to Performance Measures from 2005-2006 Adopted Budget: No*

\* This number represents only the Public Works component of the Development Permit Process. Other phases of this process are reflected in the Planning, Building, and Code Enforcement Department's Development Plan Review and Building Construction Inspection Core Service.

\*\* A four-year cost recovery strategy has been proposed to bring the Fee Program to full cost recovery by 2009-2010.

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Fee program revenue	\$7,972,190	\$7,100,000	\$7,200,000	\$8,097,535*
Fee program costs	\$8,326,125	\$7,269,178	\$7,200,000	\$7,895,220*
Number of Development Improvement Plans reviewed for consistency and completeness	109	120	120	120
Number of major Utility Permit Plans reviewed for consistency and completeness	526	510	120	120
Number of customer surveys returned	85	400	200	400
Number of customers surveyed with a rating of good or excellent	73	300	130	300
Service requests received	4,249	5,000	4,200	5,000
Service requests responded to within pre-established and/or committed turn-around times	3,440	3,500	2,500	4,500
Number of feet of utility lines undergrounded	3,600	6,000	5,750	6,000
Number of underground service alert requests received	18,901	35,000	34,000	35,000

*Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No*

\* A four-year cost recovery strategy has been proposed to bring the Fee Program to full cost recovery by 2009-2010.

# Community and Economic Development CSA

## Core Service: Regulate/Facilitate Private Development Public Works Department

### Performance and Resource Overview (Cont'd.)

Regulate/Facilitate Private Development Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 6,728,866	\$ 4,890,522	\$ 5,422,088	\$ 5,790,289	18.4%
Non-Personal/Equipment	438,491	525,725	597,925	665,069	26.5%
<b>Total</b>	<b>\$ 7,167,357</b>	<b>\$ 5,416,247</b>	<b>\$ 6,020,013</b>	<b>\$ 6,455,358</b>	<b>19.2%</b>
<b>Authorized Positions</b>	<b>54.29</b>	<b>52.02</b>	<b>52.29</b>	<b>53.99</b>	<b>3.8%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### SAFE, HEALTHY, ATTRACTIVE AND VITAL COMMUNITY

##### 1. Public Works Program Support Fund Redeployment (0.30) (31,818) (31,818)

This action shifts portions of 0.30 General Fund funded Public Works positions from the Community and Economic Development CSA to the Strategic Support CSA. These positions will support capital and bond programs. This funding shift will more effectively align Public Works resources with anticipated workload for 2006-2007. (Ongoing savings: \$31,818)

#### Performance Results:

**Cost** Capital projects will experience slightly higher costs as a result of this action.

##### 2. Public Works Non-Personal/Equipment Efficiencies (7,385) (7,385)

This action reduces the Public Works Department non-personal/equipment budget by \$7,385. There should be no impact as a result of this reduction as these costs will be absorbed and shifted to the Public Works Program Support Fund, if necessary. (Ongoing savings: \$7,385)

#### Performance Results:

No change to service levels are anticipated as a result of this action

# Community and Economic Development CSA

**Core Service: Workforce Development**  
*City Manager – Office of Economic Development*

## Core Service Purpose

**A**ssist businesses in hiring a quality workforce through assessment, supportive services, and employability skills training.

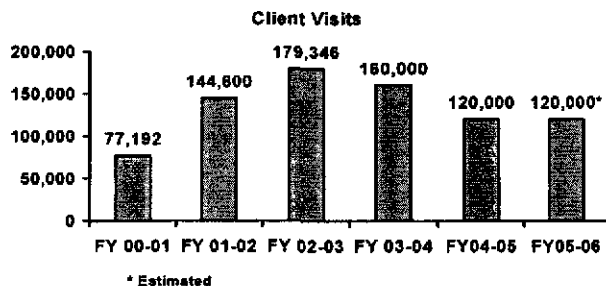
### Key Operational Services:

- ☐ **Customized, professional career services**
- ☐ **Workforce reduction assistance**
- ☐ **Career transition management**
- ☐ **Employee attraction, training, and retention services**

## Performance and Resource Overview

**S**ince July 1, 2000, the City of San José has acted as administrative and fiscal agent for the Silicon Valley Workforce Investment Network (SVWIN). The SVWIN provides Workforce Investment Act (WIA) programs across an eight-city service area: San José, Campbell, Gilroy, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill and Saratoga. WIA's employment development services align with and contribute to the *Strong Economic Base Outcome* of the Community and Economic Development City Service Area.

The Mayor acts as the Chief Local Elected Official for SVWIN. The City, through the Office of Economic Development, provides staff to SVWIN and is reimbursed for personnel costs from federal funds the City receives. The SVWIN Board (WIB) has authority to determine policy within the San José-Silicon Valley Workforce Investment Area. The City of San José, in its capacity as fiscal agent, reviews funding decisions to determine if U.S. Department of Labor procurement guidelines have been followed by the WIB and enters into contracts on behalf of the WIA program. Funding for WIA comes from two sources: (1) regularly allocated funding streams, and (2) grants that are awarded on a competitive basis. The main programs administered by the City of San José include three regularly allocated funding streams: Adult, Dislocated Worker, and Youth. In addition to WIA administrative staff supplied by the City of San José, two contractors manage programs for these main funding streams. San José Evergreen College District was renewed for the WIA Adult and WIA Dislocated Worker contracts. In 2005-2006 the WIA Youth contracts, were awarded to Second Start/Pine Hill School for the Younger Youth (14-18) programs and San José Evergreen College District (WIN Program), Henkels and McCoy, San José Conservation Corps and Second Start/Pine Hill School for the Older Youth (19-21) programs.





# Community and Economic Development CSA

## Core Service: Workforce Development *City Manager – Office of Economic Development*

### **Performance and Resource Overview (Cont'd.)**

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In 2005-2006, SVWIN anticipates continued achievement in the area of employment and job retention goals for clients receiving WIA services and to reach the single remaining outcome of 15 annual performance outcomes (one of the few nationwide to do so). SVWIN continues to increase the ability of youth to retain their jobs; youth clients are receiving more preparation on how to enter and retain their positions in this current job market to offset their employment disadvantages during this period of relative high unemployment.

The intent of WIA is to provide clients with a broad range of support services that place them in jobs. WIA clients go through a process that includes services from recruitment to training to job search assistance and ultimately job placement. This timeframe is typically 18-24 months. Clients exit WIA services upon placement into unsubsidized employment.

#### **Customer Service**

Consistent with input received from the local business community via focus groups and the City's Economic Development Strategy, SVWIN has designated industry sectors, or "clusters" for targeting the WIA training funds received. The industry clusters targeted are: retail, hospitality, healthcare, bio-science, software, construction, public sector and financial services. Among the special training funding that has been awarded are funds to the hospitality industry in partnership with Hilton Hotels to train local residents as front desk, reservation and courtesy personnel; as well as restaurant/culinary personnel. In addition, funding has been provided to both Kaiser Hospital and Valley Medical Center to train local residents for laboratory and nursing occupations in the health care industry.

In 2006-2007, a One-Stop Center will open in Morgan Hill to provide residents with greater access to services such as career guidance, job referrals, vocational and academic training, and business services. In addition, the main San José One-Stop will be relocated to Parkmoor, San José, resulting in significant reductions in rental costs. These savings will be invested in additional client services. SVWIN will maintain its presence in East San José through partnerships with community-based organizations such as Center for Training & Careers and utilizing the mobile unit to bring the same services to key locations such as schools, universities, cultural centers, libraries, etc.

Having established the program's actual long-term needs, the majority of temporary positions in the SVWIN program are being converted to permanent positions. Some temporary positions will be retained to allow the program to take advantage of service enhancements presented by one-time funding opportunities (e.g. grants) and respond to specific board innovations.

#### **Business Recruitment Assistance**

Among the issues listed by local businesses as a hindrance to their growth is the identification of a qualified workforce. WIA services are designed to assist local employers in their recruitment of qualified applicants. Prospective interview candidates are screened by WIA staff according to employer-based criteria.

# Community and Economic Development CSA

## Core Service: Workforce Development City Manager – Office of Economic Development

### Performance and Resource Overview (Cont'd.)

#### Business Recruitment Assistance (Cont'd.)

The Business Services Program is a collaboration of partners who provide quality business development, entrepreneurial and employment services small, minority- and women- owned businesses. In 2005-2006 the group established relationships with an additional 150 companies beyond the 250 businesses clients to which the program linked last year.

The objective is to provide businesses with workforce tools they need to succeed in a global economy. Business Services Program serves four areas: Human Resources, Technical Assistance, Information and Research and Access to Capital. Businesses can receive a variety of services including free posting of job listings, access to qualified job applicants, pre-employment screening, specialized workshops, training for new employees and assistance with downsizing and employee transitions.

In accordance with the vision of the Workforce Investment Act, the One-Stop service centers provide client and business services in three different cities of the eight-city service area.

#### Vocational Classroom Training

As part of the process to place jobseekers and upgrade the skills of workers, the WIA program includes vocational classroom training opportunities. Under the Workforce Investment Act, federal funds are provided for employment assistance and training for eligible youth, low income/disadvantaged adults, and dislocated workers. Training services for adults are contracted out through an application process and approved by the State of California Employment Development Department. Clients eligible for training select a training provider from a list of eligible providers.

Workforce Development Performance Summary	2004-2005 Actual	2005-2006 Target*	2005-2006 Estimated	2006-2007 Target
🎯 Adults entering employment	78%	76%	76%	TBD*
🎯 Dislocated workers entering employment	92%	79%	79%	TBD*
🎯 Youth entering employment	73%	71%	71%	TBD*
🎯 Adults retaining employment	83%	77%	77%	TBD*
🎯 Dislocated workers retaining employment	92%	84%	84%	TBD*
🎯 Youth workers retaining employment	83%	79%	79%	TBD*

*Changes to Performance Measures from 2005-2006 Adopted Budget: No*

- \* The performance measure targets in this document represent those negotiated with U.S. Department of Labor and the State of California Employment Development Department for 2005-2006. Targets have not yet been negotiated for 2006-2007.

# Community and Economic Development CSA

## Core Service: Workforce Development City Manager – Office of Economic Development

### Performance and Resource Overview (Cont'd.)

Workforce Development Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast** 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	\$ 2,299,507	\$ 2,046,462	\$ 3,554,071	\$ 3,750,941	83.3%
<b>Total</b>	<b>\$ 2,299,507</b>	<b>\$ 2,046,462</b>	<b>\$ 3,554,071</b>	<b>\$ 3,750,941</b>	<b>83.3%</b>
<b>Authorized Positions</b>	<b>21.70</b>	<b>21.70</b>	<b>38.70</b>	<b>40.70</b>	<b>87.6%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

\*\* For the 2006-2007 Forecast, the significant budget increase is largely due to the appropriate conversion of unclassified temporary staff to 18.0 civil service permanent positions. The conversion to civil service positions would ensure continued delivery of client services at current levels. Prior to this conversion, budget for unclassified staff was included in program budgets, as displayed in the Workforce Investment Act Fund.

### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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#### STRONG ECONOMIC BASE

1. One-Stop Staffing	2.00	196,870	0
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One-Stop locations provide residents with access to services such as career guidance, job referrals, vocational and academic training, and business services. The addition of a Division Manager and a Community Coordinator positions were approved to augment current One Stop staffing. The Division Manager will provide additional management oversight while the Community Coordinator will address increased client service activities at the San José location. These positions will be funded entirely by the Workforce Investment Act Fund. (Ongoing costs: \$212,328)

#### Performance Results:

**Customer Satisfaction** Current level of service at all One Stops will be maintained. Increased outreach to small and medium sized businesses will provide greater employment opportunities.

2006-2007 Adopted Core Service Changes Total	2.00	196,870	0
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# Community and Economic Development CSA

## Strategic Support

*City Manager – Office of Economic Development*

### Core Service Purpose

**S**trategic Support represents the services provided within departments that support and guide the provision of the core services. Strategic Support within the Office of Economic Development includes:

- ☐ **Administrative Support**

### Performance and Resource Overview

**S**trategic Support is an ongoing requirement to provide the core services of Office of Economic Development.

<b>Strategic Support Resource Summary</b>	<b>2004-2005 Actual 1</b>	<b>2005-2006 Adopted 2</b>	<b>2006-2007 Forecast 3</b>	<b>2006-2007 Adopted 4</b>	<b>% Change (2 to 4)</b>
<b>Strategic Support Budget *</b>					
Personal Services	\$ 260,576	\$ 688,602	\$ 754,172	\$ 743,688	8.0%
Non-Personal/Equipment	64,675	90,722	90,721	90,721	(0.0%)
<b>Total</b>	<b>\$ 325,251</b>	<b>\$ 779,324</b>	<b>\$ 844,893</b>	<b>\$ 834,409</b>	<b>7.1%</b>
<b>Authorized Positions</b>	<b>6.50</b>	<b>6.50</b>	<b>6.50</b>	<b>6.40</b>	<b>(1.5%)</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

# Community and Economic Development CSA

## Strategic Support

*City Manager – Office of Economic Development*

### Strategic Support Budget Changes

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<b>Adopted Strategic Support Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
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#### **STRONG ECONOMIC BASE**

<b>1. Economic Development Administrative Staffing Reorganization</b>	<b>(0.10)</b>	<b>(10,484)</b>	<b>(10,484)</b>
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As described in the Business/Job Attraction, Retention, Expansion and Creation Core Service, the budget for the Office of Economic Development Staffing includes the elimination of a vacant Analyst position. This action reflects the portion of the Analyst position currently budgeted in Strategic Support.

#### **Performance Results:**

No change to service levels will result from this action.

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<b>2006-2007 Adopted Strategic Support Changes Total</b>	<b>(0.10)</b>	<b>(10,484)</b>	<b>(10,484)</b>
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# Community and Economic Development CSA

## Strategic Support *Fire Department*

### Core Service Purpose

**S**trategic Support represents services provided within the Fire Department that support and guide the provision of the core services, including the core services rolling up to both the Public Safety and Community and Economic Development CSAs. The Strategic Support component is a single set of services provided without intentionally being “assigned” to specific CSA roll-ups.

Strategic Support within the Fire Department includes:

- |  |   |
|--|---|
| <input type="checkbox"/> <b>Administration</b>         | <input type="checkbox"/> <b>Multilingual Services</b> |
| <input type="checkbox"/> <b>Equipment/Facilities</b>   | <input type="checkbox"/> <b>Safety/Wellness</b>       |
| <input type="checkbox"/> <b>Information Technology</b> | <input type="checkbox"/> <b>Training</b>              |
| <input type="checkbox"/> <b>Master Planning</b>        |   |

### Performance and Resource Overview

**S**trategic Support for the Fire Department provides support to two City Service Areas: Public Safety and Community and Economic Development. The description here relates to the services for the Community and Economic Development CSA.

As part of the 2006-2007 Adopted Operating Budget, realignment of administrative staff funding (1.42 positions) with services provided, increases of development-related fees by 4.5% to cover increases in salary and benefits costs, and the sharing of costs for a development services webmaster were approved. These actions will ensure adequate Fire Fee Program administrative support services are provided and funded at an appropriate level.

Strategic Support Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	\$ 847,448	\$ 639,191	\$ 713,245	\$ 713,245	11.6%
Non-Personal/Equipment	11	26,789	26,789	26,789	0.0%
Total	\$ 847,459	\$ 665,980	\$ 740,034	\$ 740,034	11.1%
Authorized Positions	8.64	8.64	8.64	8.64	0.0%

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

# Community and Economic Development CSA

## Strategic Support *Fire Department*

### Strategic Support Budget Changes

<b>Adopted Strategic Support Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
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#### SAFE, HEALTHY, ATTRACTIVE AND VITAL COMMUNITY

<b>1. Fire Fee Program</b>	<b>0.00</b>	<b>0</b>	<b>0</b>
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This action realigns administrative staff funding (1.42 positions) with services provided, increases development-related fees by 4.5% to cover increases in salary and benefits costs, and shares costs for a development services webmaster. These actions balance development related Fire Fee Program revenues and the use of Fire Department fee reserves with expenditures projected at \$4.7 million. (Ongoing costs: \$0)

#### Performance Results:

**Cost** To achieve full cost-recovery, these actions increase revenue to match the projected workload for the Fire Fee Program.

<b>2006-2007 Adopted Strategic Support Changes Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>
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# Community and Economic Development CSA

## Strategic Support

*Planning, Building and Code Enforcement Department*

### Core Service Purpose

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**S**trategic Support represents services provided within departments that support and guide the provision of the core services. Strategic Support within the Planning, Building and Code Enforcement Department includes:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Administration</b>     | <input type="checkbox"/> <b>Human Resources</b>        |
| <input type="checkbox"/> <b>Clerical Services</b>  | <input type="checkbox"/> <b>Information Systems</b>    |
| <input type="checkbox"/> <b>Budget Preparation</b> | <input type="checkbox"/> <b>Marketing and Outreach</b> |
| <input type="checkbox"/> <b>Fiscal Services</b>    | <input type="checkbox"/> <b>Safety/Wellness</b>        |

### Performance and Resource Overview

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**T**he desired outcomes for Strategic Support include support for policy development to protect public health, safety and welfare; provision of information and data to the general public; and provision of administrative services to Department and City staff to ensure achievement of the Department's objectives.

#### Administrative Support

Planning, Building and Code Enforcement's Administrative Services Division continues to serve a Department of over 330 employees with a very lean administrative support team. Under the direction of the Department's Administrative Officer, the Administrative Team consists of two Senior Analysts, three Analysts (each Division has one Analyst providing all administrative services), one Staff Technician (Code Enforcement), and one Principal Office Specialist who supports all of the professional administrative staff. The Division Analysts supervise the accounting staff in each Division. The Administrative Officer also manages the Information Technology Department staff assigned to PBCE. In a large Department with four diverse operational divisions located on six floors in two locations, the support logistics and workload are considerable.

#### Service Costing

One of PBCE's Senior Analysts is dedicated to analyzing the costs of the components of the City's development service process. In 2005-2006, a new fee methodology for Building Division commercial and industrial projects was completed. A cost analysis of Planning development services is scheduled for 2006-2007.



# Community and Economic Development CSA

## Strategic Support

*Planning, Building and Code Enforcement Department*

### Performance and Resource Overview (Cont'd.)

#### Information Systems

The Administrative Services Division is working very closely with the Information Technology Department to ensure that the network and desktop support services so crucial to department operations are maintained a high level now that these services are centralized in the new City Hall.

The addition of a Development Services webmaster position funded jointly by Building, Fire, Planning and Public Works development fees was approved to enhance the web presence of the City's development process. Among the responsibilities that the new webmaster will assume are the organization of a wealth of time sensitive information, providing a common look and feel to the existing web sites, and expanding customer's opportunities to communicate with staff and do business over the web. Another high priority 2006-2007 work plan item for the administrative staff and the Information Technology staff assigned to the Department will be the development of reporting systems to maximize the potential of the Integrated Development Tracking System and Code Enforcement System to track the allocation of staff resources and deliver the critical data the Department needs for costing services and focusing resources to best meet customer needs.

#### Resource Changes

Approved resource changes for 2006-2007 include an ongoing reduction of \$50,000 from the Department's telephone budget, and one-time funding for technology hardware replacements, website and programming assistance and the Planning, Building and Code Enforcement Director recruitment.

Strategic Support Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	\$ 944,967	\$ 1,072,310	\$ 1,239,163	\$ 1,336,987	24.7%
Non-Personal/Equipment	307,423	524,529	361,599	570,199	8.7%
<b>Total</b>	<b>\$ 1,252,390</b>	<b>\$ 1,596,839</b>	<b>\$ 1,600,762</b>	<b>\$ 1,907,186</b>	<b>19.4%</b>
<b>Authorized Positions</b>	<b>8.85</b>	<b>8.85</b>	<b>9.57</b>	<b>10.57</b>	<b>19.4%</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

# Community and Economic Development CSA

## Strategic Support

*Planning, Building and Code Enforcement Department*

### Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
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#### SAFE, HEALTHY, ATTRACTIVE AND VITAL COMMUNITY

- |                                   |  |          |          |
|-----------------------------------|--|----------|----------|
| 1. Telephone Funding Efficiencies |  | (50,000) | (50,000) |
|-----------------------------------|--|----------|----------|

This action reduces by \$50,000 the telephone funding. Due to a reduction in cell phone rates, telephone savings have been identified without any service level impacts. (Ongoing savings: \$50,000)

#### Performance Results:

No change to service levels will result from this action.

- |                                   |      |         |         |
|-----------------------------------|------|---------|---------|
| 2. Development Services Webmaster | 1.00 | 101,324 | 101,324 |
|-----------------------------------|------|---------|---------|

This action adds a Senior Systems Application Programmer position to serve as the webmaster for the development partners and manage the integrated website. The Planning, Building, Fire and Public Works development fee programs independently maintain four web sites. The partners currently are working on the development of a unified development web portal. A webmaster with programming expertise will manage the creation and integration of these websites. A seamless customer interface will allow customers to obtain routine, basic services or information on-line. (Ongoing costs: \$105,024)

#### Performance Results:

**Customer Satisfaction** Customer response times should improve slightly by allowing those customers who do not want to have to drive to City Hall to obtain routine, basic services or information the opportunity to access information on-line.

- |   |  |        |        |
|---|--|--------|--------|
| 3. Computer Hardware/Software Replacement |  | 97,100 | 97,100 |
|---|--|--------|--------|

This action allows for the replacement of aging printers, computers, monitors and purchase software updates for the planning (\$19,420) and building (\$77,680) development fee programs. The development fee programs rely upon an extensive network of computer systems to provide seamless, customer-driven service delivery. Upgrading and replacing the aging inventory on a timely basis will ensure that the increasingly complex software applications needed to respond to customer demands can continue. (Ongoing costs: \$0)

#### Performance Results:

No change to service levels will result from this action.

# Community and Economic Development CSA

## Strategic Support

*Planning, Building and Code Enforcement Department*

### Strategic Support Budget Changes (Cont'd.)

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
<b>SAFE, HEALTHY, ATTRACTIVE AND VITAL COMMUNITY</b>			
<b>4. Planning, Building &amp; Code Enforcement Director Recruitment</b>		<b>20,000</b>	<b>20,000</b>
This action provides one-time funding for contractual costs associated with the recruitment of a new Director of Planning, Building and Code Enforcement. (Ongoing costs: \$0)			
<b>Performance Results:</b> No change to service levels will result from this action.			
<b>5. Rebudgets: Website and Programming Assistance</b>		<b>138,000</b>	<b>138,000</b>
The rebudget of unexpended 2005-2006 funds allows the Department to complete Development Services website (\$100,000) and programming assistance for the San Jose Permits Online System (\$38,000). (Ongoing costs: \$0)			
<b>Performance Results:</b> N/A (Final Budget Modification)			
<b>2006-2007 Adopted Strategic Support Changes Total</b>	<b>1.00</b>	<b>306,424</b>	<b>306,424</b>

# Community and Economic Development CSA

## City-Wide Expenses

### Overview

**T**he Community and Economic Development Program provides funding for services related to land use planning, development permitting and code regulation, housing (including affordable housing and homeless services), and economic development.

### Budget Summary

City-Wide Expenses Resource Summary*	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Community and Economic Development	\$ 22,750,695	\$ 32,783,731	\$ 21,739,965	\$ 26,284,371	(19.8%)
<b>Total</b>	<b>\$ 22,750,695</b>	<b>\$ 32,783,731</b>	<b>\$ 21,739,965</b>	<b>\$ 26,284,371</b>	<b>(19.8%)</b>
<b>Authorized Positions</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>

\* For a complete listing of allocations for the Community and Economic Development Program, please refer to the City-Wide Expenses section of this document.

### Budget Changes by Program

Adopted Program Changes	Positions	General Fund (\$)
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**1. Arts Venture Fund (216,735)**

This action continues the suspension of the Arts Venture Fund. This Fund was created in 1999-2000 to support unique new program development in partnership with community-based organizations. With many community-based organizations unable to launch special undertakings and unable to meet the matching funds requirements, the suspension of this fund was continued for 2006-2007. (Ongoing savings: \$0)

**2. Comprehensive General Plan Update 627,355**

This action reallocates funding from the Comprehensive General Plan Update Earmarked Reserve to cover the costs associated with the implementation of work to the Update. (Ongoing costs: \$0) (Final Budget Modification)

**3. Destination Event Marketing 200,000**

As directed in the Mayor's March Budget Message, funding was allocated to develop a competitive grant marketing fund for festivals in San José. (Ongoing costs: \$0)

# Community and Economic Development CSA

## City-Wide Expenses

### Budget Changes by Program (Cont'd.)

Adopted Program Changes	Positions	General Fund (\$)
<b>4. Veterans Day Parade (Festivals, Parades, and Celebrations)</b>		<b>12,000</b>
As directed in the Mayor's June Budget Message, additional funding of \$12,000 was provided to support the Veterans Day Parade, based in part on the community's high rating of this event. (Ongoing costs: \$12,000) (Final Budget Modification)		
<b>5. Sports Opportunity Fund</b>		<b>100,000</b>
This action provides for the one-time addition of \$100,000 to create a Sports Opportunity Fund. The additional funding will be used to allow staff to do more marketing of the City to attract sporting events. The availability of this funding will allow the City to attract up to four new sports events to the City that will have a collective impact of \$2.5-\$5.0 million with at least one event being broadcast on national television. (Ongoing costs: \$0)		
<b>6. ZeroOne San José Festival Support</b>		<b>100,000</b>
This action provides funding for use of City facilities for the ZeroOne San José Festival, a global festival of art-on-the-edge and the Thirteenth International Symposium of Electronic Art. The City is a lead backer of ZeroOne along with San José State University and Adobe. (Ongoing costs: \$0)		
<b>7. Miscellaneous Rebudgets</b>		<b>3,721,786</b>
The rebudget of unexpended 2005-2006 funds will allow for the completion of the projects in 2006-2007 listed below. (Ongoing costs: \$0) (Final Budget Modification)		
Alviso Historical Markers		4,021
Arts Venture Fund		138,000
Coyote Valley Specific Plan and EIR		1,200,000
Evergreen Smart Growth Strategy		1,436,040
Historic Preservation		156,150
Japantown Phase II Historic Resources Strategy		10,000
Joint Planning – South Campus District		315,000
Neighborhood Strip Retail Revitalization		290,754
Planning Area Studies		37,500
San José Permits On-Line		80,000
Sports Opportunity Fund		54,321
<b>2006-2007 Adopted Program Changes Total</b>	<b>0.00</b>	<b>4,544,406</b>

# Community and Economic Development CSA

## General Fund Capital, Transfers, and Reserves

### Budget Summary

General Fund Capital, Transfers, and Reserves					
<i>Community &amp; Economic Development CSA Resource Summary*</i>	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Transfers to Other Funds	\$ 307,900	\$ 0	\$ 0	\$ 4,200,000	N/A
Earmarked Reserves	0	11,434,989	4,850,000	18,381,599	60.7%
<b>Total</b>	<b>\$ 307,900</b>	<b>\$ 11,434,989</b>	<b>\$ 4,850,000</b>	<b>\$ 22,581,599</b>	<b>97.5%</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

\* For a complete listing of allocations for the Transfers to Other Funds and Earmarked Reserves Programs for the Community and Economic Development CSA, please refer to the General Fund Capital, Transfers, and Reserves section of this document.

### Budget Changes by Program

Adopted Program Changes	Positions	General Fund (\$)
1. Transfers to Other Funds: Community Facilities Revenue Fund/Hayes Mansion Conference Center		4,200,000
This action establishes a Community Facilities Revenue Fund transfer from the General Fund to subsidize the operating costs and debt service payments for the Hayes Mansion Conference Center. It is projected that without this subsidy insufficient revenues would be available in that fund to support both the scheduled debt service payments and operating costs for the facility. The estimated cost for the required subsidy increased by \$300,000 since the Earmarked Reserve was established as part of the Forecast Base Budget. (Ongoing costs: \$4,200,000)		
2. Earmarked Reserves: Hayes Mansion Conference Center Reserve Elimination		(3,900,000)
This action liquidates an Earmarked Reserve established in the Forecast Base Budget for the Hayes Mansion Conference Center. Included above is the action to provide the funding allocated as a transfer to the Community Facilities Revenue Fund to subsidize the debt service payments and operating costs for the Hayes Mansion Conference Center. It is projected that insufficient revenues will be available in that fund to support both the scheduled debt service payments and operating costs for the facility. (Ongoing savings: \$3,900,000)		

# Community and Economic Development CSA

## General Fund Capital, Transfers, and Reserves

### Budget Changes by Program (Cont'd.)

Adopted Program Changes	Positions	General Fund (\$)
3. Earmarked Reserves: California Theater Reserve Elimination		(750,000)
<p>This action eliminates an ongoing Earmarked Reserve for the California Theater. Beginning in 2004-2005, the General Fund has included funding in reserve to provide for a potential subsidy for the costs for maintenance and operations of the new California Theater. Projections for the next year and for the next several years now indicate that Team San José's budget included in the Convention and Cultural Affairs Fund, used to finance the facility operations, should be sufficient to cover costs of operating and maintaining all of the facilities, including the Theater, without an additional General Fund subsidy. (Ongoing savings: \$750,000) (Final Budget Modification)</p>		
4. Earmarked Reserves: Rebudgets		18,181,599
<p>This action provides for the rebudgeting of unexpended 2005-2006 funding from various Earmarked Reserves listed below. (Ongoing cost: \$0) (Final Budget Modification)</p>		
Environmental Mitigation (Burrowing Owl)	338,520	
Fee Supported - Building	10,345,153	
Fee Supported - Fire	805,955	
Fee Supported - Public Works	1,122,744	
Fee Supported - Planning	526,227	
Future Economic Development	43,000	
Hayes Mansion Conference Center Line of Credit	5,000,000	
2006-2007 Adopted Program Changes Total	0.00	17,731,599